

# Health Insurance Portability and Accountability Act (HIPAA)

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## Administrative Simplification

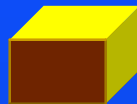
### *Medicaid and Public Health*

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# HIPAA: the Act...

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## *TITLE II: Preventing Health Care*

### *Fraud and Abuse*



Subtitle A: Fraud and Abuse Control Program



Subtitle B: Revisions to Current Sanctions for Fraud and Abuse



Subtitle C: Data Collection



Subtitle D: Civil Monetary Penalties



Subtitle E: Revisions to Criminal Law



*Subtitle F: Administrative*

### *Simplification*



Subtitle G: Duplication and Coordination of Medicare-Related Plans; Subtitle H: Patent Extension



# Contains Sections ....

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Section 262:  
Transactions,  
Codes,  
and  
Identifiers

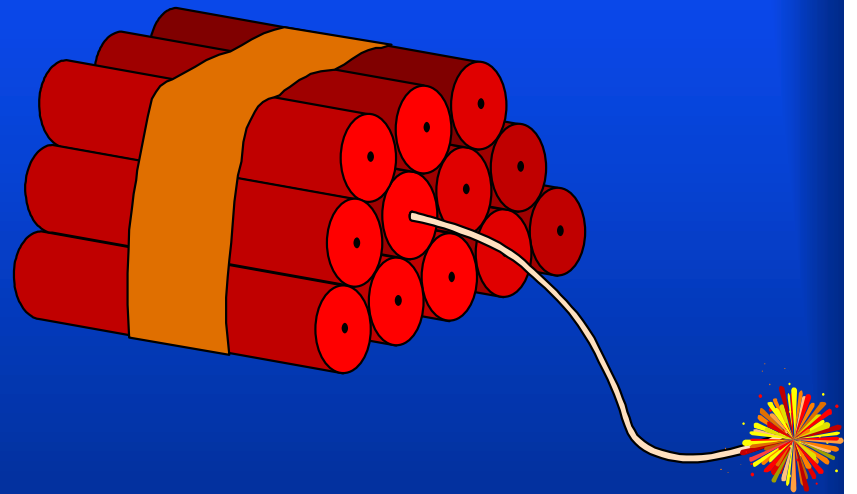
Section 264  
Privacy



# What Does This Mean for You?

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- New Claim Forms
- National Codes
- MMIS Changes
- Provider Training
- Effective 10/16/2002



# Purpose of Provisions

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- Improve the efficiency and effectiveness of the health care system, by standardizing the electronic data interchange of certain administrative and financial transactions
- Protect the security and privacy of transmitted information

# Overview of Admin. Simp. Provisions

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- HHS must adopt national standards necessary for efficient, electronic, administrative and financial health care transactions.
- **All** health plans, **all** clearinghouses, **all** payers and those providers who choose to conduct these transactions electronically, are **required** by federal law to implement these standards. (incl.. security)
- Provisions for privacy regulation or legislation.
- Recommendations for standards for electronic medical record information.

# Overview of Provisions

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- Supercedes most contrary provisions of State laws (but provides for exceptions on a case by case basis.)
- Expands the scope and membership of the National Committee on Vital and Health Statistics
- Civil and criminal penalties for failure to use standards or wrongfully disclosing confidential information .

# Initial Mandated Standards

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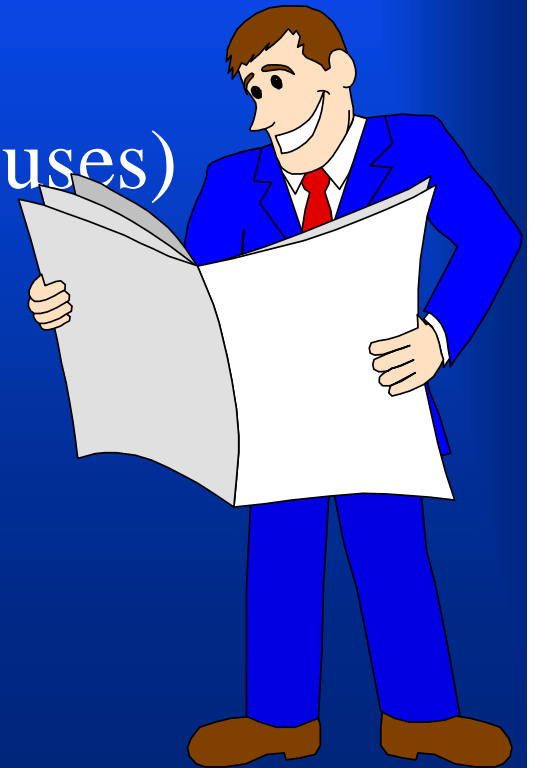
- Transactions
  - Claims or equivalent encounters
  - Referral certification and authorization
  - Enrollment and disenrollment in a health plan
  - Eligibility inquiry and response
  - Payment and remittance advice
  - Premium payment
  - Claims status



# Mandated Standards

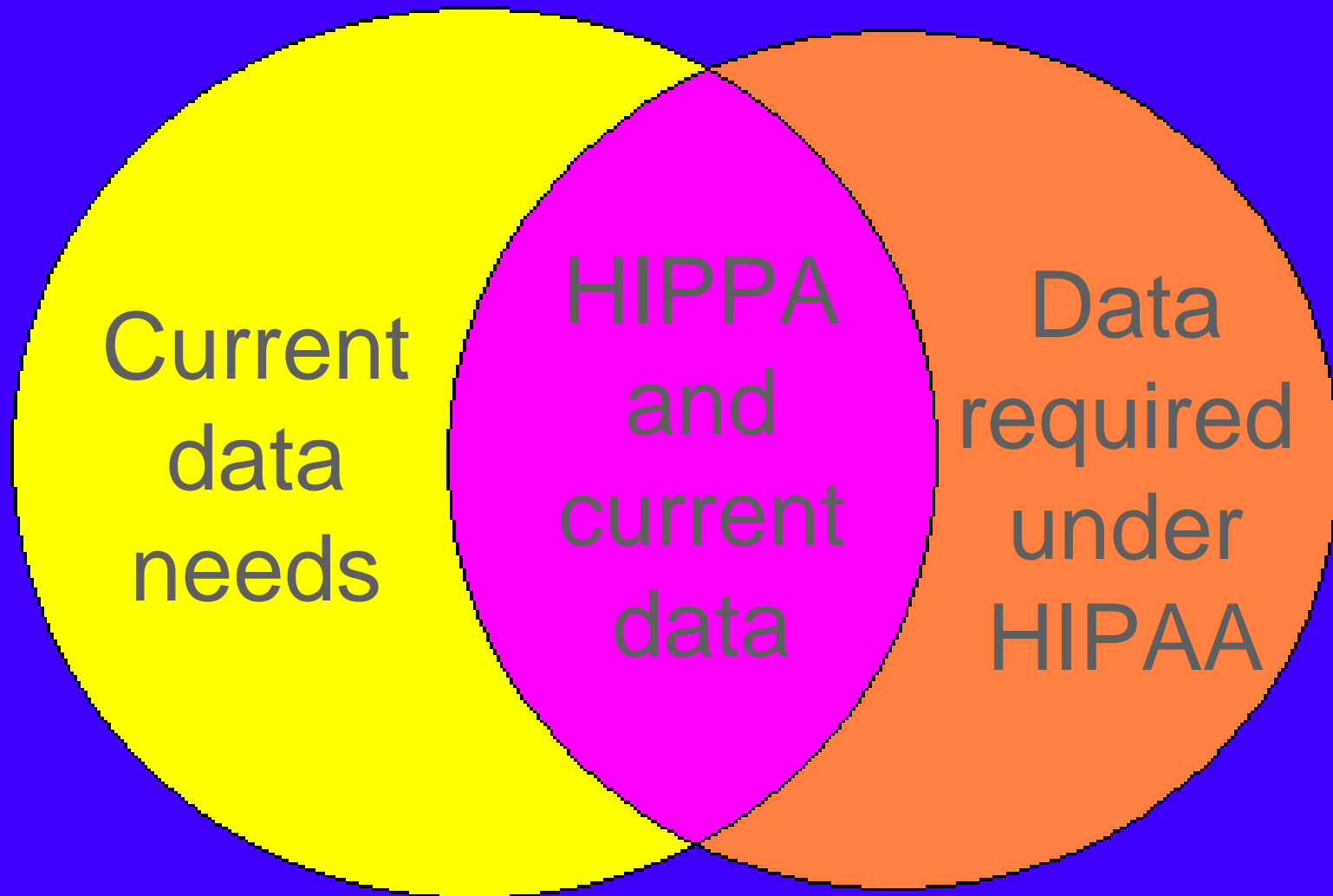
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- More Transactions:
  - Claims Attachments
  - First Report of Injury
- Coordination of benefits information.
- Unique identifiers (including allowed uses) for individuals, employers, health plans, and health care providers.
- Security, confidentiality, and electronic signatures.



# Reported Data Changes

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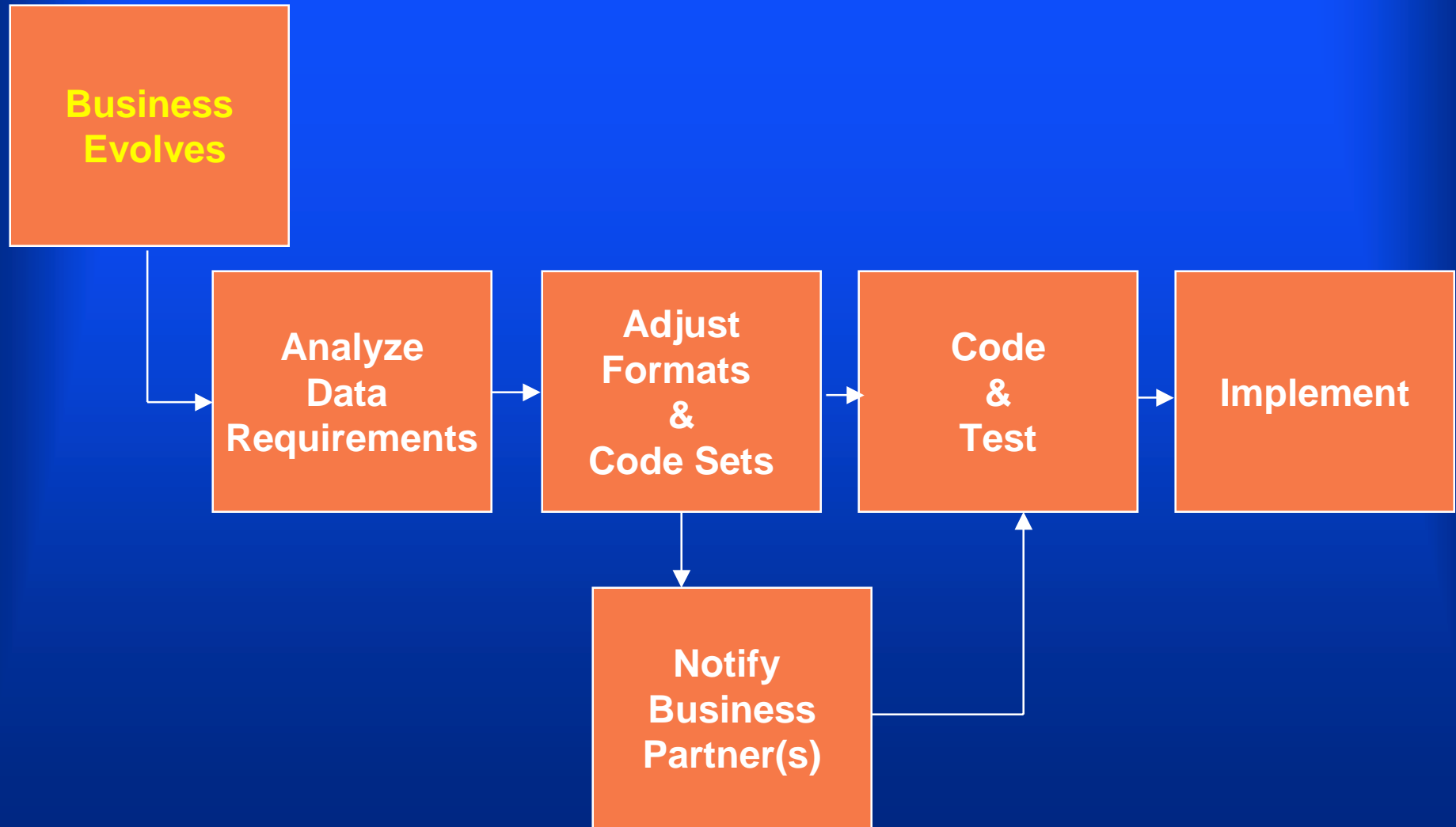
# Expected Publication Schedule

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- **Final rule For Transactions and Codes published August 17, 2000**
  - **Medicaid Implementation Date 11/16/2002**
- **Final Privacy Rule published April 14, 2001**
  - **Medicaid Implementation: 4/14/2003**
- **Final rules expected in 2001**
  - Security
  - Employer identifier
  - Provider identifier (NPI)

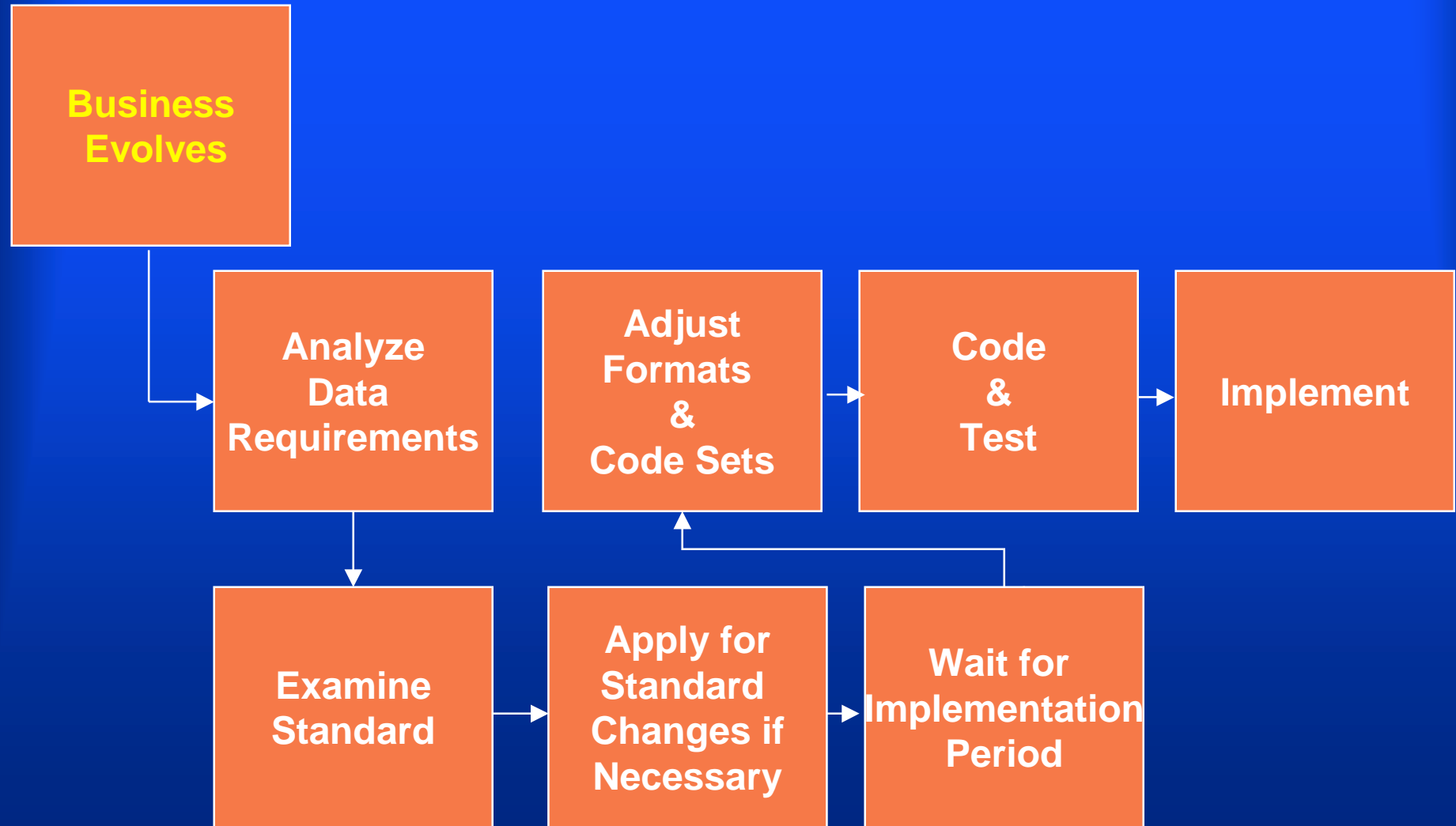
# Today - How Our Business Works

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# Under HIPAA Admin. Simp. - How Our Business Will Work

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# Privacy Rule

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- The Final Privacy rule would:
  - allow health information to be used and shared easily for the treatment and for payment of health care;
  - allow health information to be disclosed without an individual's authorization for certain national priority purposes (such as research, public health and oversight), but only under defined circumstances;

# Privacy Rule

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- require written authorization for use and disclosure of health information for other purposes, and
- create a set of fair information practices to inform people of how their information is used and disclosed, ensure that they have access to information about them, and require health plans and providers to maintain administrative and physical safeguards to protect the confidentiality of health information and protect against unauthorized access.

# What HIPPA Means to Medicaid

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- *Good News*

- Increased quality of care;
- Better case management;
- Overall reduction in Medicaid expenditures;
- Better risk-adjustment methodologies;
- Increased monitoring for access issues.

- *Bad News*

- This will be extremely costly and time consuming;
- There is a short time frame to implement the standards once they are final;
- Probable increase in Medicaid operational costs;
- Possible changes in Medicaid policy and reimbursement.



# Biggest Medicaid Issues

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- Lack of understanding about HIPAA
- Under-representation in Standard Setting
- Adopting New Formats
- Unneeded Codes and Missing Local Codes
- Adopting NPI: Size and Composition of Provider ID/ Embedded Logic

# Biggest Medicaid Issues

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- Implementing New Security Procedures
- Implementing New Privacy Procedures
- Renovate? Replace?/ Translators?  
Clearinghouse?
- Multiple Waves of Implementations
- End-to-End Testing (+ Multiple Waves)

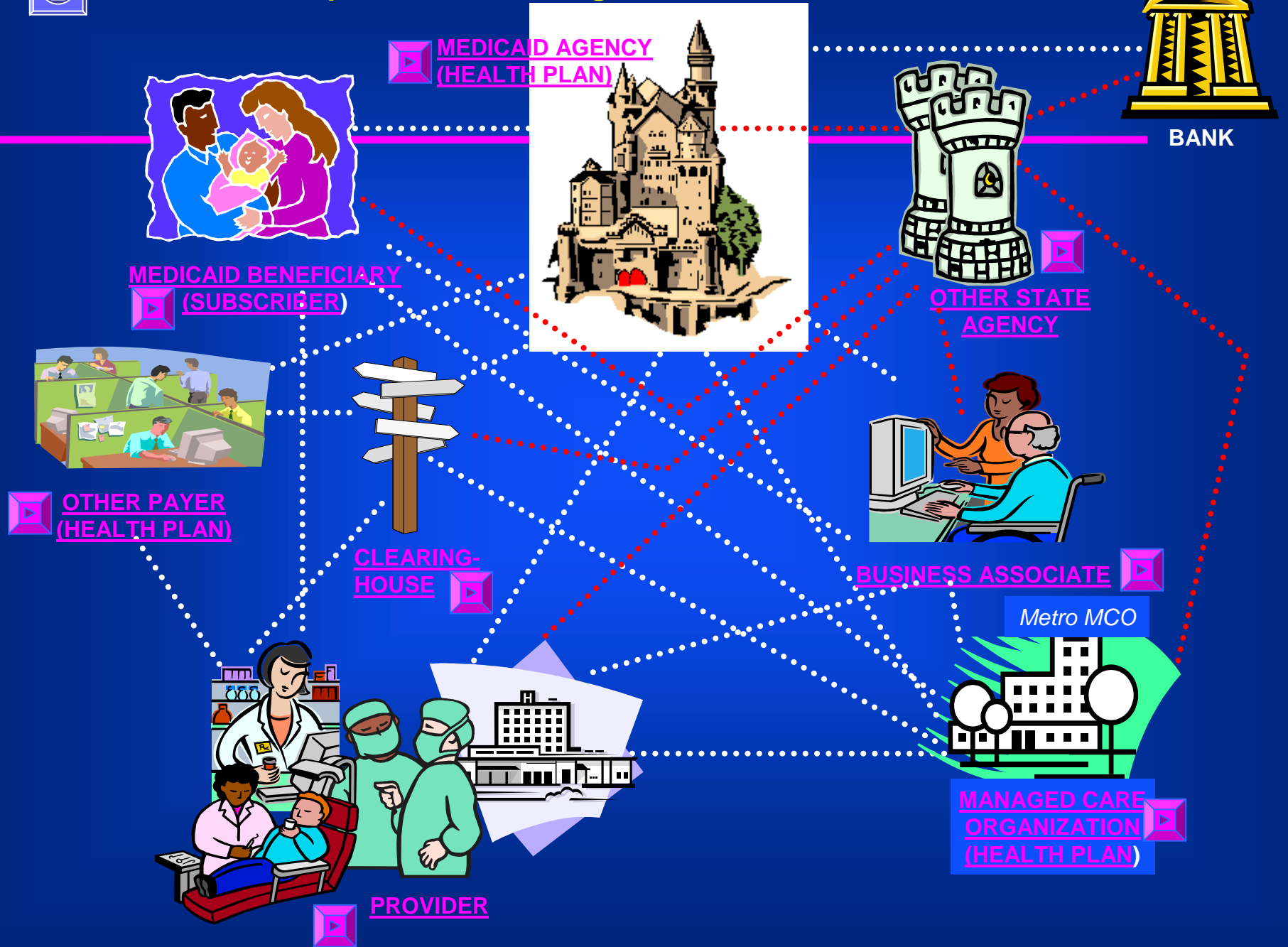
# Biggest Medicaid Issues

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- Not Enough Time for Implementation(s)
- Contracts
- Penalties
- Resources: Money and Personnel
- Selecting Translators and Clearinghouses
- Chasing a Moving Target



# Medicaid Enterprise Data Exchange Partners View



# Medicaid and Public Health

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- For many years, they were looked as two separate entities;
- Medicaid was viewed as an Insurance Program;
- Data stored within the MMIS was only used to adjudicate claims.

# Public Health Can Be Affected By HIPAA

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- Standardized data set would provide better analysis of populations;
- Better analysis would lead to better case management and an increase in quality of care
- Standardized case management leads to better prevention methodologies.

# Greater Analysis of Medicaid Populations

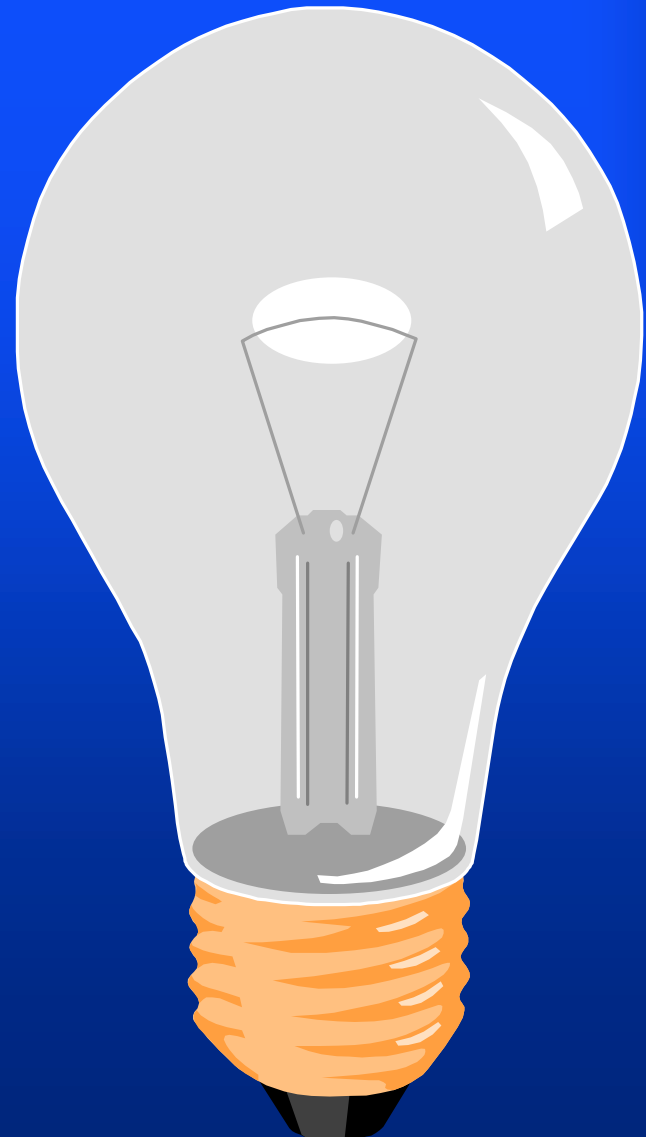
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- Reduces the complexity of data sets by reducing them to a standardized form;
- Reduces the variance between large automated systems and smaller ones;
- Reduction in local-based coding allows for a broader-based analysis of populations.

# Better Case Management of Medicaid Populations

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- A unified, linked system containing clinical information, including diagnoses, procedures, test results, and other factors would be an asset to determine disease etiology, increase comprehensive epi-profiling and provide better surveillance





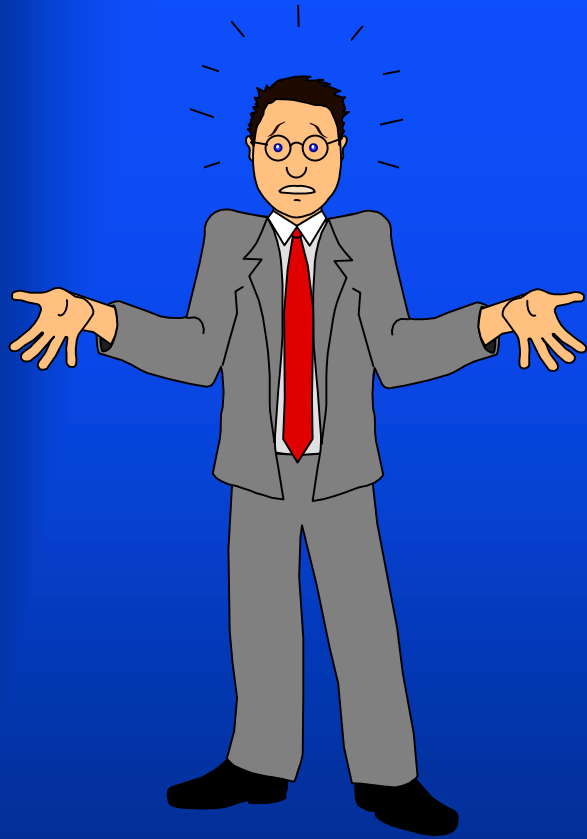
# What is the Problem?

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- Public health data elements are limited on the proposed data standards;
- The strategies of public health practices must meet the realities of the Medicaid business world;
- There is little comprehension on the utility of HIPAA for anything other than claims adjudication;
- There is little knowledge on HIPAA at all, even with those who it will directly affect.

# What Can We Do? - Action Items

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- Learn about HIPPA - what it means for your State and agency;
- Identify needs - what data will your agency and State need?
- Improve collaboration and communication between agencies;
- Get involved and stay informed!

# Partnerships Between Medicaid and Public Health

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- Could HCFA used enhanced matching rates for systems development specific to public health?
- Immunization Registries were an important issue to both Departments;
- Demonstrated the benefit and utility of Registries to the Medicaid population.

# Immunization Registries

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- FFP was granted for DDI and Operations for the Registry;
- Public Health could run the Registry even if owned by Medicaid;
- Costs must be allocated to Medicaid;
- Functional requirements for Medicaid children

## Future Steps

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- Continue to explore the relationship between Medicaid and Public Health;
- Examine ways of using Immunization data to benefit the Medicaid business enterprise;
- Work on developing future technology to assist in the retrieval of information from the MMIS;
- Learn from our mistakes and our successes.